

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
INTER-OFFICE MEMO

September 11, 2002

TO: Waste Task Force Working Group

FROM: Laurie Grandchamp, Supervising Engineer
Mark Dennen, Senior Environmental Scientist
Office of Waste Management
Department of Environmental Management

SUBJECT: Hazardous Waste Fee Proposal

During the August 8, 2002 meeting, the Work Group voted on several scenarios that were previously developed in order to calculate a fee for the generation of hazardous waste. As Work Group members may recall, originally there were nine scenarios. At the July 26, 2002, the sub-committee chose a smaller subset of case scenarios in order to calculate fees for several years. Six scenarios were chosen and a hazardous waste fee rate/pound was calculated for 1997, 1998, 1999 and 2001. An average of those four years was also calculated. A summary table of the six case scenarios for each year is attached. The table also includes the number of votes each scenario received during the August 8th vote. Scenario #3 received 9 votes, Scenario #2 received 5 votes and Scenario #4 received 3 votes.

The Department has also developed the attached draft regulations for incorporating the hazardous waste generation fee. Please note that the purpose of this draft is provide the Work Group with the Department's direction regarding this issue. This draft has not yet been reviewed internally, and will most likely be revised.

Hazardous Waste Fee Proposal:

Since \$890,000 needs to be generated during fiscal year 2003 and it appears the collection of the fees is not expected to begin prior to January, the Department believes that a combination of the two most popular scenarios, #2 and #3, should be utilized.

The hazardous waste generation fee will be calculated by excluding secondary waste from TSDFs and waste oil, however, waste oil will continue to be included on manifests until the Used Oil Regulations are promulgated. The Department has developed draft regulations regarding the management, transportation and treatment of used oil and the second revision is currently under internal review. We expect the Used Oil Regulations to be promulgated in approximately one year. Once the Regulations are promulgated, used oil will not be considered hazardous, unless it fails the TCLP, and will be tracked by a mechanism other than a hazardous waste manifest. At such time when the Used Oil Regulations are promulgated, this material will be exempt.

The Department is proposing a fee of 2 cents per pound. This fee was developed by utilizing the Department's estimate for the average quantity of waste generated in or shipped to Rhode Island over the past five years. Since the Work Group made the decision that remediation waste should not be exempt from the hazardous waste fee, the calculation includes remediation waste. Only 80% of the remediation waste quantity, however, was included in the fee calculation due to the inconsistent amount generated year to year.

Hazardous Waste Fee Calculation:

Manifested Waste (average from years 1997, 1998, 1999, 2001) = 66,625,912 pounds (does not include secondary generation waste from TSDFs)

Average amount of Waste Oil (average) = 25.4% or 16,922,982 pounds

Remediation Waste (average) = 49% or 32,646,697 pounds

$66,625,912 \text{ pounds} - 16,922,982 \text{ pounds} - ((1 - .80) \times 32,646,697 \text{ pounds}) = 43,173,591 \text{ pounds}$

$\$890,000 / 43,173,590 \text{ pounds} = \$0.020/\text{pound} = 2\text{¢}/\text{pound}$

Recycled and Reclaimed Material:

During previous meetings, the Work Group has discussed the possibility of the Department exempting or charging a reduced generation fee for the hazardous waste that is recycled. This would provide an economic incentive to recycle hazardous waste as opposed to other forms of treatment or disposal, specifically landfilling. Per the Work Group's request, the Department has examined the approach of the Massachusetts DEP on this issue. In the case of Class A recycled material the generator is required to provide proof the material can be used without treatment. In the case of Class B and C recycled material, the material must be treated within the state at a licensed facility or by an out-of-state facility that has registered with MADEP.

Currently, the Department of Environmental Management does not permit recyclers of hazardous waste and waste oil. Even if the Department were to develop a system where presumptive approval was granted, there is still the necessity of promulgating regulations covering the permitted activities (MADEP regulations on recycling are 53 pages), allow time to develop and send out appropriate applications and guidance, and then allow the facilities time to respond and for us to review the applications. In terms of regulation of this program, Massachusetts has approximately 7 staff members involved with this program. RIDEM currently has approximately 3 FTE's devoted to RCRA facility permitting, transportation and manifest tracking. Therefore, the development and administration of such a program would likely consume the time of at least 1 FTE, which would be a significant burden on the current resources of the program.

While the Department does not plan to incorporate a recycling element as part of the proposed hazardous waste fee structure, one suggestion is that the Work Group could be reinstated at a future date in order to explore the recycling issue.

Lastly, it should be noted that precious metals waste, as defined by Rule 3.64 of the Hazardous Waste Regulations, "*all materials destined for reclamation containing a concentration of gold, silver, rhodium, palladium and/or platinum which makes the waste economically recoverable including, but not limited to, plating baths and stripping solutions,*" is exempt from manifesting requirements. Therefore, any hazardous waste generation fee that is established would not be applicable.